

Publications

This Week From the Hill (March 2 – 8, 2025)

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PUBLISHED

03/03/2025

SOURCE

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Each week while Congress is in session, our [Policy](#) team delivers a key update to highlight a topical benefits, health, or retirement news item from the Hill, such as a newly introduced bill, a summary of a committee hearing, or another hot-button matter.

On February 25, the House approved a budget reconciliation resolution in a narrow 217-215 vote. The resolution directs the House Ways & Means Committee to develop tax legislation with a net cost of up to \$4.5 trillion, assuming other committees achieve their spending reduction targets.

House Ways and Means Committee Chairman Smith acknowledged on February 24 that the budget resolution would likely not allow for a permanent extension of the expiring provisions of the *Tax Cuts and Jobs Act of 2017* (“TCJA”) and the elimination of taxes on tips, overtime, and Social Security benefits, a campaign promise made by President Trump. Consequently, some lawmakers are discussing a temporary extension of TCJA and/or changing the way Congress estimates the cost of the legislation by using a “current policy baseline.”

The budget resolution directs the Committee on Energy and Commerce to prepare policy changes that net \$880 billion in savings. It is difficult, if not impossible, to hit this target without significant changes to Medicaid. In a February 26 [interview](#) on CNN, Speaker Johnson acknowledged that the intent is to reduce federal spending on Medicaid. He stated they would do that by “carv[ing] out the fraud, waste and abuse, and find[ing] efficiencies.” He also backed instituting federal work requirements.

The Senate passed its own budget resolution on February 20. However, the Senate resolution does not include an extension of the expiring TCJA provisions or other tax changes. Senate Republican leadership had elected to address tax changes under a later budget resolution.

The House and Senate must now reconcile their different approaches. Republican leadership from both chambers and Treasury Secretary Scott Bessent expect to meet regularly to negotiate a path forward. The process is expected to take weeks if not months.

Meanwhile, the latest continuing resolution (“CR”) funding for the federal government expires on March 14. President Trump [posted](#) on Truth Social that he expects Congress to pass “a clean, temporary funding bill to the end of September.” However, the bill likely needs Democratic votes to pass, and bipartisan negotiations

appear to have broken down at this time. The lead Democratic appropriators – Senator Patty Murray (D-WA) and Rep. Rosa DeLauro (D-CT) – issued a joint [statement](#) calling it “disappointing that Republican leadership is walking away from bipartisan negotiations to fund the government.”

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